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SMITH
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RECORDATION No. 18955-A 200 EAST BROWARD BOULEVARD
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March 13, 1997

VIA FEDEX

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

RECORDATION No. 20593

Re: NationsBank, N.A. (South) - Loans to The Durango & Silverton Narrow Gauge Railroad Company

Dear Secretary Williams:

I enclose one original and one counterpart original of the documents described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

1. A Release of Rolling Stock Security Agreement between NationsCredit Commercial Corporation and The Durango & Silverton Narrow Gauge Railroad Company. The names and addresses of the parties to the document are as follows:

Secured Party: NationsCredit Commercial Corporation
One Canterbury Green
Stamford, CT 06901

Debtor: The Durango & Silverton Narrow Gauge Railroad Company
479 Main Avenue
Durango, CO 81303

The description of the equipment to be released by the document is set forth in Exhibit A, attached hereto.

new 2. Rolling Stock Security Agreement dated as of March 13, 1997, between NationsBank, N.A. (South) and The Durango & Silverton Narrow Gauge Railroad Company. The names and addresses of the parties to the document are as follows:

Secured Party: NationsBank, N.A. (South)
One Financial Plaza, 10th Floor
Fort Lauderdale, FL 33394

Debtor: The Durango & Silverton Narrow Gauge Railroad Company
479 Main Avenue
Durango, CO 81303

FTL:216932:1

FORT LAUDERDALE ■ MIAMI ■ NAPLES ■ ST. PETERSBURG ■ SARASOTA ■ TALLAHASSEE ■ TAMPA

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAR 21 10 16 AM '97

The Honorable Vernon A. Williams
March 13, 1997
Page 2

The description of the equipment covered by the document is set forth in Schedule 1, attached hereto.

A fee of \$48.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Mark S. Somerstein, Ruden, McClosky, Smith, Schuster & Russell, P.A., 200 East Broward Boulevard, 15th Floor, Fort Lauderdale, Florida 33301 in the enclosed self-addressed, stamped envelope.

A short summary of the document to appear in the index follows: A Rolling Stock Security Agreement dated as of March 13, 1997, between NationsBank, N.A. (South) ("NationsBank") and The Durango & Silverton Narrow Gauge Railroad Company ("Durango & Silverton"), in which Durango & Silverton grants NationsBank a first lien and security interest in all equipment and other personal property of Durango & Silverton, including, but not limited to, the locomotives, boxcars and the other rolling stock described in Schedule I attached hereto.

Very truly yours,

RUDEN, McCLOSKEY, SMITH,
SCHUSTER & RUSSELL, P.A.



Marie C. Santoro, C.L.A.
Certified Legal Assistant

MCS:ebc
Enclosure

EXHIBIT "A"

Type 44 passenger cars and 10 locomotives bearing Durango & Silverton numbers as follows:

Passenger Cars

| | | | | |
|-----|-----|-----|-----|-----|
| 64 | 319 | 336 | 406 | 415 |
| 126 | 323 | 337 | 407 | 416 |
| 212 | 327 | 350 | 408 | 566 |
| 213 | 330 | 400 | 409 | 630 |
| 257 | 331 | 401 | 410 | 631 |
| 270 | 332 | 402 | 411 | 632 |
| 291 | 333 | 403 | 412 | B-2 |
| 311 | 334 | 404 | 413 | B-7 |
| 312 | 335 | 405 | 414 | |

Locomotives

| | |
|-----|-----|
| 420 | 481 |
| 473 | 482 |
| 476 | 493 |
| 478 | 498 |
| 480 | 499 |

Blanket remainder of Equipment

SCHEDULE 1

Type 44 passenger cars and 10 locomotives bearing Durango & Silverton numbers as follows:

Passenger Cars

| | | | | |
|-----|-----|-----|-----|-----|
| 64 | 319 | 336 | 406 | 415 |
| 126 | 323 | 337 | 407 | 416 |
| 212 | 327 | 350 | 408 | 566 |
| 213 | 330 | 400 | 409 | 630 |
| 257 | 331 | 401 | 410 | 631 |
| 270 | 332 | 402 | 411 | 632 |
| 291 | 333 | 403 | 412 | B-2 |
| 311 | 334 | 404 | 413 | B-7 |
| 312 | 335 | 405 | 414 | |

Locomotives

| | |
|-----|-----|
| 420 | 481 |
| 473 | 482 |
| 476 | 493 |
| 478 | 498 |
| 480 | 499 |

Blanket remainder of Equipment

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

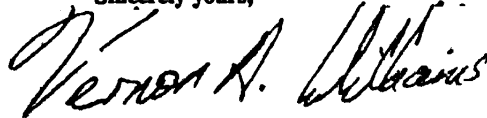
3/24/97

Marie C. Santoro, C. L. A.
Ruden McClosky Smith D
Schuster & Russell, P. A.
200 East Broward Boulevard
Fort Lauderdale, Florida 33301

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/24/97 at 10:16AM , and 10:18AM assigned recordation number(s). 18955-A, 20593 and 20594.

Sincerely yours,

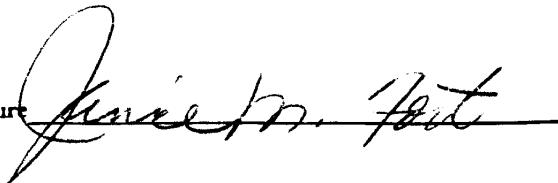


Vernon A. Williams
Secretary

Enclosure(s)

\$ 72.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RECORDATION NO. 18955A
MAR 24 1997 -10:16 AM

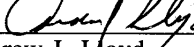
RELEASE OF ROLLING STOCK SECURITY AGREEMENT

The undersigned, an Authorized Signatory of NationsCredit Commercial Corporation (formerly known as Nations Financial Capital Corporation), a Delaware corporation having a mailing address of One Canterbury Green, Stamford Connecticut 06901, ("Lender") does hereby certify on behalf of Lender that:

1. A certain Rolling Stock Security Agreement, dated as of August 30, 1994, was executed and delivered by Durango & Silverton Narrow Gauge Railroad Company, a Colorado corporation, to Lender (the "Rolling Stock Security Agreement").
2. The Agreement was recorded with the Interstate Commerce Commission in Washington, D.C. pursuant to 49 U.S.C. § 11303 on August 31, 1994 at 12:20 p.m., Recordation No. 18955.
3. The rolling stock described on Exhibit A attached hereto and incorporated herein is subject to the lien of the Rolling Stock Security Agreement.
4. The Lender does hereby consent to the release of the above-described rolling stock from the lien of the Rolling Stock Security Agreement.

IN WITNESS WHEREOF, this Release of Rolling Stock Security Agreement has been dated and executed this 3rd day of March, 1997.

NATIONSCREDIT COMMERCIAL
CORPORATION (formerly
Nations Financial Capital Corporation)

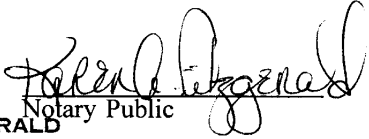
By: 
Andrew J. Lloyd
Authorized Signatory

STATE OF CONNECTICUT)
COUNTY OF FAIRFIELD) ss.

On this 3rd day of March, 1997, before me personally came Andrew J. Lloyd to me personally known, who, being by me duly sworn, did depose and say that he is an Authorized Signatory of NationsCredit Commercial Corporation, a Delaware corporation, that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and said officer acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County and State the day and year last above written.

(Seal)


Notary Public
KAREN A. FITZGERALD
NOTARY PUBLIC

My Commission Expires: MY COMMISSION EXPIRES AUG. 31, 2001

EXHIBIT A

DURANGO & SILVERTON NARROW GAUGE EQUIPMENT ROSTER

| CAR NO. | TYPE | NAME |
|----------------------|--------------|---------------------|
| 213 | PASS/BAG | DURANGO & SILVERTON |
| 291 | COACH/PASS | " |
| 270 | " | " |
| 257 | " | " |
| 311 | " | " |
| 630 | " | " |
| 631 | " | " |
| 632 | " | " |
| 330 | " | " |
| 331 | " | " |
| 332 | " | " |
| 333 | " | " |
| 334 | " | " |
| 335 | " | " |
| 336 | " | " |
| 337 | " | " |
| 350 | PASS/PARLOR | " |
| 64 | CONCESSION | " |
| 566 | " | " |
| 126 | " | " |
| 212 | " | " |
| 312 | COACH/PASS | " |
| 319 | " | " |
| 327 | " | " |
| 323 | " | " |
| 400 | OPEN/PASS | " |
| 401 | " | " |
| 402 | " | " |
| 403 | " | " |
| 404 | " | " |
| 405 | " | " |
| 406 | " | " |
| 407 | " | " |
| 408 | " | " |
| 409 | " | " |
| 410 | " | " |
| 411 | " | " |
| 412 | " | " |
| 413 | " | " |
| 414 | " | " |
| 415 | " | " |
| 416 | " | " |
| 8-2 | PRIVATE | CINCO ANIMAS |
| 8-7 | " | NOMAD |
| LOCOMOTIVES # | | |
| 473 | 2-8-2 MIKADO | DURANGO & SILVERTON |
| 476 | " | " |
| 478 | " | " |
| 480 | " | " |
| 481 | " | " |
| 482 | " | " |
| INACTIVE LOCOMOTIVES | | |
| 420 | 2-8-0 | |
| 493 | 2-8-2 | |
| 498 | 2-8-2 | |
| 499 | 2-8-2 | |

TOTAL: 44 PASSENGER CARS, 10 LOCOMOTIVES

BLANKET REMAINDER OF EQUIPMENT